

**FEDERAL FISCAL YEAR 2019
MONITORING REPORT
ON THE
PENNSYLVANIA OFFICE OF
VOCATIONAL REHABILITATION
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS**



**U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration**

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TABLE OF CONTENTS

	Page
Section 1: The Scope of the Review	1
Section 2: Focus Area – Performance of the State Vocational Rehabilitation Services and State Supported Employment Services Programs.....	3
Section 3: Focus Area –Pre-Employment Transition Services for Students with Disabilities	13
Section 4: Focus Area – Financial Management of the State Vocational Rehabilitation Services and State Supported Employment Services Programs.....	21
Section 5: Focus Area – Joint Workforce Innovation and Opportunity Act Final Rule Implementation	34
Appendix A: State Vocational Rehabilitation Services and State Supported Employment Services Programs Performance Tables	39
Appendix B: Service Record Review Results	49
Appendix C: Fiscal Data Tables	52

SECTION 1: THE SCOPE OF THE REVIEW

A. Background

Section 107 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), requires the Commissioner of the Rehabilitation Services Administration (RSA) to conduct annual reviews and periodic on-site monitoring of programs authorized under Title I of the Rehabilitation Act to determine whether a vocational rehabilitation (VR) agency is complying substantially with the provisions of its State Plan under Section 101 of the Rehabilitation Act and with the evaluation standards and performance indicators established under Section 106 of the Rehabilitation Act subject to the performance accountability provisions described in Section 116(b) of WIOA. In addition, the Commissioner must assess the degree to which VR agencies are complying with the assurances made in the State Plan Supplement for Supported Employment Services under Title VI of the Rehabilitation Act.

Through its monitoring of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the Pennsylvania Office of Vocational Rehabilitation (OVR) in Federal fiscal year (FFY) 2019, RSA—

- Assessed the performance of the VR and the Supported Employment programs with respect to the achievement of quality employment outcomes for individuals with disabilities, including those with significant and most significant disabilities;
- Identified strategies and corrective actions to improve program and fiscal performance related to the following focus areas:
 - Performance of the State Vocational Rehabilitation Services and State Supported Employment Services Programs;
 - Pre-Employment Transition Services for Students with Disabilities;
 - Financial Management of the State Vocational Rehabilitation Services and State Supported Employment Services Programs; and
 - Joint Workforce Innovation and Opportunity Act Final Rule Implementation.

In addition, RSA reviewed a sample of individual service records to assess internal controls for the accuracy and validity of Case Service Report (RSA-911) data and service records to assess measurable skill gains (MSGs).

The nature and scope of this review and the process by which RSA carried out its monitoring activities, including the conduct of an on-site visit from August 12 through 16, 2019, is described in detail in the [State Vocational Rehabilitation Services and State Supported Employment Services Programs Federal Fiscal Year 2019 Monitoring and Technical Assistance Guide \(MTAG\)](#).

B. Review Team Participants

Members of the RSA review team included Joseph Doney and Andrea Hall (Technical Assistance Unit), Christyne Cavataio and Zera Hoosier (VR Unit), Andrew Kerns (Data Collection and Analysis Unit), and Arseni Popov (Fiscal Unit). Although not all team members participated in the on-site visit, each contributed to the gathering and analysis of information, along with the development of this report.

C. Acknowledgements

RSA wishes to express appreciation to the representatives of OVR for the cooperation and assistance extended throughout the monitoring process. RSA also appreciates the participation of others, such as the State Rehabilitation Council (SRC), the Client Assistance Program, advocates, and other stakeholders in the monitoring process.

SECTION 2: FOCUS AREA – PERFORMANCE OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS

A. Purpose

Through this focus area, RSA assessed the achievement of employment outcomes, including the quality of those outcomes, by individuals with disabilities served in the VR program through conducting an analysis of VR program data and a review of individual service records. The analysis below, along with any accompanying findings and corrective actions, is based on a review of the programmatic data contained in Appendix A of this report. The data used in the analysis are those collected and reported by the VR agency.

B. Analysis of the Performance of the VR Program

VR Agency Profile

Resources: Appendix A—Tables 1, 2, and 3

For program year (PY) 2017, OVR reported 21,126 applicants and 17,082 individuals determined eligible for the VR program on the RSA-911. In terms of the types of disabilities of participants served by OVR in PY 2017, 30 percent were individuals with cognitive disabilities, 24.9 percent were individuals with psychological or psychosocial disabilities, and 15.1 percent were individuals with physical disabilities.

During PY 2017, 65.8 percent of individuals who did not have an eligibility determination extension in place were determined eligible within 60 days from the date of application. In addition, 27.9 percent of eligibility determinations made in PY 2017 were made after OVR and the applicant agreed to an extension. During PY 2017, 86.8 percent of individuals who were determined eligible had their individualized plans for employment (IPEs) developed within 90 days from the date of eligibility determination. Of those participants with an IPE, 11,840 individuals received services, while 3,882 individuals did not receive any services during the same period of time.

In PY 2017, 35.9 percent of the 21,941 individuals who exited the VR program at all stages of the process achieved competitive integrated employment. Of the 7,885 individuals who achieved competitive employment, 1,073 were reported as having achieved supported employment. During the same period, when considering only those individuals who exited the VR program after receiving services, OVR achieved an employment rate of 52.3 percent.

The VR Process

Resources: Appendix A—Tables 1, 2, 4, and 5

As reported on the RSA-113, the total number of applicants increased from 27,423 individuals in FFY 2016, to 28,432 individuals in FFY 2017. However, this figure then decreased to 26,552

individuals in FFY 2018. The number of eligible individuals increased from 19,781 individuals in FFY 2016 to 21,359 individuals in FFY 2017. This figure also decreased to 20,769 individuals in FFY 2018. During the same time period, there was a gradual increase in the percentage of eligible individuals with an IPE who received no services from 11.4 percent in FFY 2016, to 13.4 percent in FFY 2018. OVR stated that high staff turnover made it necessary for its counselors to take on existing cases, which may have resulted in delays in service for individuals.

From FFY 2017 to FFY 2018, OVR reported a decrease in the number of individuals determined eligible for VR services who were assigned to a closed order of selection (OOS) priority category (i.e., waiting list), from 110 individuals in FFY 2017, to 69 individuals in FFY 2018. OVR communicated that budgetary constraints resulting in its inability to serve new applicants for VR services and the emphasis on providing potentially eligible consumers pre-employment transition services contributed to the decline in the number of individuals who applied for and were determined eligible for VR services from FFYs 2017 through 2018.

Of the 21,941 individuals who exited the VR program in PY 2017, 6,875 individuals, or 31.4 percent, exited from various stages of the VR process prior to the development of an IPE. In addition, a large percentage of individuals exited the VR process after the development of an IPE and without an employment outcome (7,181 individuals, or 32.7 percent). The attrition of eligible individuals with an IPE prior to the achievement of employment may be due to the inability of OVR to maintain contact with VR participants. Of the individuals who exited the VR program in PY 2017, 25.5 percent were reported as “unable to locate” As the reason for exit. OVR communicated that it provided updates through its website and at least one letter per year to individuals on the waiting list to decrease attrition from the VR program.

VR Services

Resources: Appendix A—Tables 6 and 7

Of the 46,040 participants who received VR services in PY 2017, 4,891 participants, or 10.6 percent, received the following training services: occupational or vocational training (7.7 percent), job readiness training (1.7 percent), and miscellaneous training (1.2 percent). During the period of review, OVR reported 2,354 MSGs earned, and 1,914 participants as earning MSGs.

In PY 2017, 1,410 postsecondary transcripts and report card MSGs were reported even though only 129 participants, or 0.2%, received the following postsecondary training services: graduate degree training (less than 0.1 percent), bachelor’s degree training (0.1 percent), and junior or community college training (0.1 percent). Further, the on-site review confirmed that OVR did not have data sharing agreements with secondary schools, and only 347 secondary diploma MSGs were reported in PY 2017. OVR stated that counselors did not have sufficient time to review and track the completion of in-house services delivered to participants, and an automated service review function on its case management system used to track purchased services was not available until the end of PY 2018. Therefore, the agency’s reports likely do not reflect the total number of training services the agency provided.

Of the career services provided to participants in PY 2017, 13,113 individuals, or 28.5 percent, received VR counseling and guidance, while 9,198 individuals, or 20 percent, received diagnosis and treatment of impairments, and 7,798 individuals, or 16.9 percent, received assessment services.

In PY 2017, 1,710 participants, or 3.7 percent, received supported employment services; no youth with most significant disabilities received extended services.

In terms of other services provided to participants in PY 2017, 3,462 individuals (7.5 percent) received other services, 3,246 individuals (7.1 percent) received transportation services, and 3,627 individuals (7.9 percent) received rehabilitation technology services.

Quality of Employment Outcomes

Resources: Appendix A—Tables 1, 4, 5, 6, 8, 9, and 10

In PY 2017, 7,885 individuals exited in competitive integrated employment. During this period, the median hourly earnings for these individuals was \$11.00 per hour, and the median hours worked per week was 35 hours. Of the individuals who achieved employment, 37 percent continued to receive social security benefits, including Social Security Disability Insurance (SSDI) (1,631 individuals) and Supplemental Security Income (SSI) for the aged, blind, or disabled (1,052 individuals); and 27.7 percent maintained medical insurance coverage through Medicaid (17.6 percent) and Medicare (10.1 percent). Approximately 20 percent of individuals with medical coverage at exit received coverage through their employers.

In PY 2017, the greatest number of participants were placed in office and administrative support occupations (1,222 individuals), food preparation and serving related occupations (856 individuals), and transportation and material moving occupations (695 individuals).

In PY 2017, the most frequently reported Standard Occupational Classification (SOC) codes reported by OVR for participants who achieved competitive integrated employment included stock clerks (388 participants), janitors and cleaners (357 participants), and customer service representatives (273 participants).

Occupations with the highest median hourly earnings, in which OVR assisted individuals with securing employment, included Healthcare Practitioners and Technical Occupations (\$20.00), architecture and engineering occupations (\$19.23), computer and mathematical occupations (\$18.54), and business and financial operations occupations (\$15.98).

Pre-Employment Transition Services

Resources: Appendix A—Tables 11 and 12

Of the 35,406 students with disabilities reported by OVR in PY 2017, 56 percent received a pre-employment transition service. Over 53 percent of the students with disabilities in receipt of pre-employment transition services in PY 2017 applied for VR services, while 47 percent of students

with disabilities who received pre-employment transition services in PY 2017 were potentially eligible individuals.

Of the 51,621 pre-employment transition services provided in PY 2017, the services most often provided were workplace readiness training (27.4 percent), job exploration counseling (22.7 percent), and counseling on enrollment opportunities (21.3 percent). The pre-employment transition service least often provided during the same period was instruction in self-advocacy (11.5 percent).

C. Internal Controls

The RSA review team assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. Internal controls mean a process, implemented by a non-Federal entity, designed to provide reasonable assurances regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations. Internal controls are established and implemented as a measure of checks and balances to ensure proper expenditures of funds. Internal controls serve to safeguard assets and prevent fraud, waste, abuse, and mismanagement. They include methods and procedures the grantee uses to manage the day-to-day operations of grant-supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Policies and Procedures

OVR provided RSA with a copy of its Service Record Review Manual updated in January 2019. The case review instrument is used by supervisors to conduct reviews of five open cases and three closed cases each quarter. A district administrator or assistant from each office also reviews five open cases and three closed cases for each supervisor every quarter. The central office reviews 6 open and 4 closed cases for each district office every 6 months. OVR stated that both the reports generated from the results of the supervisor's quarterly service record reviews and the activity due reports generated from the case management system are used to inform staff training needs and update policies.

Service Record Review

The RSA review team randomly selected 20 service records of participants who exited with competitive integrated employment or supported employment and 20 service records of participants who earned MSGs to verify that the service records contained documentation supporting data reported by the VR agency on the RSA-911 Case Service Report). The results of that review are summarized in Appendix B.

Of the 20 service records of participants who exited with competitive integrated employment or supported employment reviewed, 27 percent did not include the required documentation, and 3 percent did not have dates that matched what was reported in the case management system or on the RSA-911. Of these service records, 55 percent did not have supporting documentation for the eligibility determination (e.g., the eligibility determination letter sent to the individual or the functional limitation worksheet). Similarly, 20 percent of cases reviewed did not meet the necessary documentation requirements for the IPE, and 5 percent of the service records reviewed

did not have IPE dates that matched across the case file and dates reported in the case management system and on the RSA-911. For example, the individual or the VR counselor did not sign or date the IPE, the IPE was not present in the case file, or the date the individual signed the IPE did not match the date entered into OVR's case management system.

Of the service records reviewed wherein the individual achieved employment, 30 percent did not include verification of the start date for employment, and 10 percent of these service records did not have dates that matched across the case file, dates reported in the case management system and on the RSA-911, while 35 percent of service records reviewed did not include verification of the individual's employment status at closure. Ten percent of service records reviewed did not have employment start dates that matched across the case file and dates reported in the case management system and on the RSA-911. Additionally, 40 percent of the service records reviewed did not include documentation of the hourly wage at closure, while 20 percent did not include documentation of the type of closure. Furthermore, five percent of the service records reviewed did not include documentation of the date of closure, but all the service records reviewed did have closure dates that matched across the case file, the case management system, and the RSA-911. Of the service records reviewed, seven did not include a closure letter. Overall, none of the service records RSA reviewed were free from any errors.

Of the 20 service records reviewed for participants who earned MSGs, all records included required documentation to substantiate the start date of the IPE. However, five percent did not include the required documentation to substantiate the date the individual enrolled in an education or training program leading to a recognized postsecondary credential or employment during program participation.

Two of the seven service records for which an educational functioning level was reported did not include the required documentation; and two of the three service records, for which a secondary MSG was reported, did not include the required documentation (e.g., secondary transcript/report card). Of those service records for which a postsecondary MSG was reported, two of the 15 service records reviewed did not include required documentation (e.g., postsecondary transcript/report card).

D. Findings and Corrective Actions

RSA's review of the performance of OVR in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

2.1 Untimely Eligibility Determination

Issue: Is OVR determining the eligibility of applicants for VR services within the required 60-day time frame from the date of application.

Requirement: In accordance with Section 102(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.41(b)(1), eligibility determinations are to be made for individuals who have submitted an application for VR services, including applications made through common intake procedures in one-stop centers under Section 121 of WIOA, within 60 days, unless there are exceptional and unforeseen circumstances beyond the control of the State VR agency, and the individual and

State VR agency agree to a specific extension of time or an exploration of the individual's abilities, capabilities, and capacity to perform in work situations is carried out in accordance with 34 C.F.R. § 361.42(e).

Analysis: As part of the monitoring process, RSA analyzed the length of time it took OVR to make eligibility determinations for VR applicants. In PY 2017, OVR reported on the RSA-911 that 65.8 percent of eligibility determinations without an extension were made within the 60-day Federal timeframe, and 27.9 percent of eligibility determinations received an eligibility determination extension.

Conclusion: As demonstrated by performance data, OVR did not make eligibility determinations within the required 60-day period for PY 2017. As a result of the analysis, RSA determined that the agency did not satisfy the eligibility determination requirements in 34 C.F.R. § 361.41(b)(1).

Corrective Actions 2.1 RSA requires that OVR—

- 2.1.1 Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations;
- 2.1.2 Develop procedures for VR counselors and supervisors to track and monitor the timeliness of eligibility determinations; and
- 2.1.3 Provide training to OVR staff related to the agency's requirement to document the applicant's agreement to an eligibility extension with a signature in accordance with OVR's policy or revise the policy to remove the signature requirement.

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan with a mutually agreeable timeline.

2.2 Questionable Application Start Date

Issue: Does OVR have an established standard for the prompt and equitable handling of referrals of individuals for VR services as required under 34 C.F.R. § 361.41(a).

Requirement: In accordance with Section 102(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.41(b)(2), an individual is considered to have submitted an application when the individual or the individual's representative, as appropriate –

- (i)(A) Has completed a signed agency application form;
- (B) Has completed a common intake application form in a one-stop center requesting VR services; or
- (C) Has otherwise requested services from the State VR agency;
- (ii) Has provided to the State VR agency information necessary to initiate an assessment to determine eligibility and priority for services; and
- (iii) is available to complete the assessment process.

In addition, in accordance with 34 C.F.R. § 361.41(a), the State VR agency must establish and implement standards for the prompt and equitable handling of referrals of individuals for VR services, including referrals of individuals made through the one-stop service delivery system under section 121 of WIOA. The standards must include timelines for making good faith efforts to inform these individuals of application requirements and to gather information necessary to initiate an assessment determining eligibility and priority for services.

Analysis: In the initial part of the referral process, individuals interested in VR services complete what the OVR staff referred to as a pre-application. The pre-application is then reviewed and forwarded to the corresponding counselor according to the geographic location of the field office. The receiving counselor then reviews and schedules an intake appointment. According to several OVR staff, the timeframe for these steps to occur can be as brief as a few weeks to as long as two months. OVR stated that the 60-day timeframe during which the counselor must determine eligibility begins on the intake date, during which time the consumer typically signs an application. The pre-application gives all the information constituting an application and could be used to begin the 60-day clock for determining eligibility.

Conclusion: As a result of the analysis, RSA determined that the agency did not establish and implement standards for the prompt and equitable handling of referrals of individuals for VR services in 34 C.F.R. § 361.41(a) and that the requirement for a pre-application created a delay in processing an individual's application for services.

Corrective Actions 2.2 RSA requires that OVR—

- 2.2.1 Update existing policies and procedures to reflect that completion of the pre-application constitutes an actual application and begins the 60-day clock for determining eligibility; and
- 2.2.2 Provide training to staff specific to requirements outlined in 34 C.F.R. § 361.41(b)(2).

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan with a mutually agreeable timeline.

2.3 Internal Controls and Reporting

Issue: Does OVR have written policies and procedures in place to ensure accurate data collection and reporting.

Requirements: VR agencies must employ methods of administration for the proper and efficient administration of the VR portion of the State plan and carry out all functions required by the VR program, including procedures to ensure accurate data collection and financial responsibilities, in accordance with 34 C.F.R. § 361.12. In addition, 2 C.F.R. § 200.303 requires that VR agencies develop an internal controls process to provide a reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of reporting for internal and external use, established and implemented as a measure of checks and balances to ensure proper expenditure of funds, including the evaluation and monitoring of compliance with

statutes, regulations, and the terms and conditions of Federal awards. RSA's PD 19-03 clarifies that, in accordance with 34 C.F.R. § 361.47, agencies must maintain verifying documentation in an individual's case service record, particularly regarding the eligibility determination, development of the IPE, VR services provided, and service record closure. The internal controls developed and implemented by the agency must extend beyond tracking of the data reported through the RSA-911, but also must include the necessary supporting documentation in accordance with 34 C.F.R. § 361.47.

Analysis: The conduct of the on-site service record review is discussed at length previously in this section and summarized in Appendix B of this report. Overall, none of the service records reviewed were free from any errors, and most had missing documentation. Preliminary results from the service record review were shared with OVR management at the time of the on-site review.

In addition, the agency acknowledged during the on-site monitoring review that it was duplicating unique identifiers and agreed with the RSA review team that the identification of potentially eligible and eligible individuals be differentiated by application start date. This is further included as technical assistance in the transition section of this report.

Conclusion: In accordance with 34 C.F.R. § 361.12, OVR must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. OVR must develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition, OVR must monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. Based on the conduct of the service record review and OVR's existing procedures, RSA determined that OVR was not in compliance with the requirements in 34 C.F.R. § 361.12 or 2 C.F.R. § 200.303.

Corrective Actions: 2.3 RSA requires that OVR –

- 2.3.1 Develop policies and procedures to obtain and maintain supporting documentation in an individual's case service record pursuant to the requirements of 34 C.F.R. § 361.47 and PD 19-03;
- 2.3.2 Implement internal controls to ensure all supporting documentation is maintained within each case service record, in accordance with 2 C.F.R. § 200.303; and
- 2.3.3 Develop and implement internal control procedures to ensure that case service records contain the required supporting documentation for data elements submitted through the RSA-911 report.

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan with a mutually agreeable timeline. PA OVR continues to dialog with RSA regarding the existing MSG rate calculation process and is working with them on reporting MSG attainment rates into the future to ensure adequate internal controls are in place to be compliant with expected attainment rates.

E. Technical Assistance

In the course of conducting monitoring activities, RSA provided technical assistance to OVR as described below.

Eligibility Determinations

- In PY 2017, OVR made 65.8 percent of eligibility determinations within 60 days from the date of application. OVR also stated that, until FFY 2019, it was standard practice for counselors to request an eligibility determination extension for every applicant.
- The RSA team provided extensive technical assistance on how to process more timely eligibility determinations. OVR stated that it had recently implemented alarms in its case management system to make VR counselors aware of the application dates for cases without an eligibility determination several days prior to the expiration of the 60-day requirement to avoid an overdue status. OVR also stated that it frequently referred applicants for assessments and agreed to try to make existing assessments available to VR counselors to reduce the need for new assessments.

Reporting of Data

- The RSA review team provided an overview of changes to the RSA-911 that occurred in PY 2020 under PD 19-03.
- The RSA review team provided technical assistance on how to report potentially eligible individuals who apply for VR services.
- The OVR data team requested technical assistance on how to record services that are provided in-house by agency staff. The RSA review team agreed to research the best practices in use at other VR agencies to provide guidance to OVR in the future.
- The OVR data team requested technical assistance on how to collect post-exit credentials for individuals who have exited the VR program and are no longer in contact with a VR counselor. The RSA review team agreed to research the issue and provide guidance to OVR in the future.

Functional Limitation Assessment

- The RSA review team provided extensive technical assistance in reviewing OVR's plans to redefine and possibly expand the number of its OOS categories, with possible implementation during FFY 2020. RSA provided extensive feedback regarding issues to consider, realistic timeframes, and training concerns regarding possible implementation of revised OOS categories.

Transitional Employment Programs

- The RSA review team provided clarification that transitional employment programs provided through the Clubhouse Model do not constitute supported employment placements if the employment setting is not in an integrated setting at or above the minimum wage. However, the review team clarified that Transitional employment may

be provided as a service to assist an individual whose goal is competitive integrated employment.

Personal Work Adjustment Training

- The RSA review team provided clarification regarding Personal Work Adjustment Training. Specifically, work associated with work experience, work adjustment training, and other activities for which work is compensated must be at or above the minimum wage. If providers of these programs are compensating eligible VR consumers, then those providers must compensate these consumers at or above minimum wage.

SECTION 3: FOCUS AREA—PRE-EMPLOYMENT TRANSITION SERVICES FOR STUDENTS WITH DISABILITIES

A. Purpose

The Rehabilitation Act, as amended by Title IV of WIOA, places heightened emphasis on the provision of services, including pre-employment transition services under Section 113, to students with disabilities to ensure they have meaningful opportunities to receive training and other VR services necessary to achieve employment outcomes in competitive integrated employment. Pre-employment transition services are designed to help students with disabilities to begin to identify career interests that will be explored further through additional vocational rehabilitation services, such as transition services. Through this focus area the RSA review team assessed the VR agency's performance and technical assistance needs related to the provision of pre-employment transition services to students with disabilities.

B. Implementation of Pre-Employment Transition Services

The VR agency must consider various requirements in providing, or arranging for the provision of, pre-employment transition services for students with disabilities under Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a). Students with disabilities may receive pre-employment transition services as either potentially eligible or eligible individuals for the VR program. A discussion of OVR's service delivery system and implementation of pre-employment transition services follows.

Structure of Service Delivery

As a combined agency, OVR provides VR services, including pre-employment transition services, to both a general population of individuals with disabilities and to those who are blind or have visual impairments. OVR has 22 field offices that serve the 67 counties within Pennsylvania, of which 48 are rural and 19 are urban counties. Of the 500 public school districts, 235 are rural. According to 2010 census demographic information, rural Pennsylvania remains poorer compared to urban Pennsylvania.

The Pennsylvania Department of Education, Individuals with Disabilities Education Act (IDEA) State Plan 2018, effective July 1, 2018, indicates that students who are 14 years of age or older are to have a transition plan in place that addresses postsecondary goals. Further, Pennsylvania's administrative code references a grade range for the receipt of special education under IDEA, specifically transition services, for seventh through twelfth grade students.

OVR provides pre-employment transition services to students with disabilities aged 14 to 21 who are both eligible and potentially eligible for VR services through a variety of methods. During pre-on-site discussions, OVR explained that some pre-employment transition services are provided through intergovernmental and interagency agreements with local educational agencies (LEAs) by school staff and provider agreements between OVR and non-profit and for-profit private vendors through a fee for service mechanism. Additionally, OVR staff, which includes VR counseling staff, VR Early Reach Coordinators (ERC), specifically for the provision of some

of the five required activities as described in 34 C.F.R. § 361.48(a)(2), and Business Services Representatives, provide pre-employment transition services. Through these various mechanisms, OVR indicated that these activities were provided statewide. OVR also reported that the intergovernmental and LEA agreements were not third-party cooperative agreements or interagency transfers.

At the time of the monitoring review, OVR employed 30 ERCs who assisted with the coordination and implementation of activities that potentially eligible students with disabilities receive related to pre-employment transition services. The ERCs assist with connecting the students with VR counseling staff once the student with a disability determined that the continuum of VR services was an appropriate next step for them. The activities performed by the ERCs include work readiness training, instruction in self-advocacy, and during the summer months, coordination of some work-based learning opportunities.

ERC staff also participate in various outreach activities within the schools and during summer months that include summer workshops and other work experience activities. ERC staff were initially allowed to participate in various school night parent outreach activities during the school year. However, due to limited resources as described by management and staff, these opportunities were discontinued, as they often resulted in overtime work commitments that could not be supported by VR funding.

VR counseling staff indicated that most often their involvement with regard to pre-employment transition services includes job exploration counseling, coordinating with vendors for students on their caseloads to participate in work-based learning experiences, and counseling regarding opportunities for enrollment in postsecondary education programs.

In the past, fee-for-service opportunities for the provision of pre-employment transition services occurred as a direct result of school staff referrals to community rehabilitation programs (CRPs). When a CRP identified students who were potentially eligible, a referral was sent to OVR to provide requested pre-employment transition activities, as needed. OVR evaluated the request and approved or authorized the services based on this request for funding. The provision of services by providers was based on a pre-agreed fee-for-service schedule between the schools and providers where OVR received a bill at the conclusion of pre-employment transition services provided by the CRP. At the time of this review, OVR was re-evaluating this process and considering moving away from this “request for funding” approach.

Interagency or intergovernmental agreement contracts between OVR and LEAs allow for the provision of pre-employment transition services to be provided directly by school staff. These agreements or contracts pay for the salaries of staff identified in some contracts as Program Coordinators, Vocational Special Education Teachers, and Job Trainers. Other contracts list designated staff for the provision of pre-employment transition services as Work Based Learning (WBLE) Coordinators, Pre-Employment Transition Services Coordinators, Mental Health Transition Specialists, and School-to-Work Coordinators. Finally, other contract agreements list job coaches and driver education teachers as salaried positions paid for through pre-employment transition services reserve funds.

Outreach and Planning for the Delivery of Pre-Employment Transition Services

OVR reported that most of its outreach efforts and activities are conducted by ERC staff. These efforts are reported regularly and conducted through attendance at parent night events, participation in school-sponsored job fairs, collaboration with the transition coordinator's council quarterly meetings, notification from schools and/or the community indicating a need, and attendance at individual education program (IEP) meetings. OVR developed outreach materials appropriate for students at different stages of their education and ERCs provide these materials to the students. These outreach materials provide brief descriptions of the ERCs' relationship to OVR and brief descriptions of pre-employment transition services and other transition services available for students with disabilities.

State Educational Agency (SEA) Agreement

OVR did not have an implemented or draft interagency agreement with the SEA during the period of this review as required under 34 C.F.R. § 361.22(b). Documents reviewed confirmed that the last negotiated agreement was in 1999, with an addendum signed in 2006, outlining a memorandum of understanding (MOU) for coordination and shared responsibilities entitled "Shared Agenda for Youth/Young Adults with Disabilities between Pennsylvania Department of Education, Pennsylvania Department of Public Welfare, Pennsylvania Department of Labor and Industry and Pennsylvania Department of Health." This document does not include all of the requirements in 34 C.F.R. § 361.22(b) describing the formal interagency agreements with the SEA. At the time of this report, OVR has drafted an updated MOU satisfying Federal requirements and received public comment on the draft. OVR is making minor revisions to the draft agreement as a result of the public comment and will send the draft for legal review before its execution.

Provision of Pre-Employment Transition Services

OVR reported a total of 19,812 students with disabilities who received a pre-employment transition service, which includes 9,231 students who were reported as potentially eligible and 10,581 students with disabilities who had applied for VR services. OVR indicated that its case management system was not set up to track a potentially eligible student with a disability who receives pre-employment transition services with the same unique identifier that would be assigned to the student who later applies for VR services. The lack of a unique identifier assigned to an individual makes reliance on pre-employment transition services data difficult.

OVR indicated that the definition of a work-based learning experience was too narrow, and the agency found it difficult to develop acceptable work-based learning experiences that would meet the definition of the required activity, thus accounting for the low percentage of this service reported for PY 2017 at 17 percent.

On July 2, 2018, OVR published a pre-employment transition manual, titled "PETS Manual." This document outlined guidance about service rates, program definitions, and requirements for the provision of pre-employment transition services for OVR staff. This manual was also referenced in OVR's "Program Guidelines on School to Work Transition," dated January 2014, as an attachment and was included in draft format in that document. At the time of this review,

the OVR manual on pre-employment transition services was noted as the one document that was used as a resource for staff that outlined procedures in this area. OVR confirmed that it did not have an implemented policy on the provision of pre-employment transition services during this review period, and OVR described its pre-employment transition manual as the only guidance document being used in the absence of formal policy. This document, while comprehensive, outlined a continuum of VR services, including some specific pre-employment transition services that are not consistent with the five required activities described in 34 C.F.R. § 361.48(a)(2). For example, OVR's guidance suggested that certain required activities be made available only to students with disabilities once they reach a certain grade or academic level. Career exploration, for instance, was described as being available to students with disabilities starting at age 14, but individual or group workplace activities in the community were made available only to 11th graders or were made available no earlier than two years prior to graduation. If any additional work-based learning activities or experiences were needed, they were listed as not available until students were in the 12th grade or in their final year of high school. OVR's "PETS Manual" was used in concert with a provider manual produced by OVR, titled "PETS Provider Manual," also dated July 2, 2018, for the purpose of informing Pennsylvania's CRPs about the provision of pre-employment transition services.

OVR employed the use of interagency agreements and intergovernmental agreements related to contracting with LEAs for salaries of teachers or other school staff for the provision of pre-employment transition services and activities, which were outlined in those contracts. OVR noted that these contracts were not third-party arrangements or interagency transfers. However, some of these interagency or intergovernmental agreements that had a funding component may have contributed State or local funds for the purpose of providing State match. The review team had concerns about some of the provisions in these agreements.

For example, some sample agreements outlined a focus for the provision of services related to pre-employment transition services, but the agreements stated that the pre-employment transition services described were for students ranging from 16 to 21 years of age and for those students with current IEPs; both of these restrictions narrowed the population of students that OVR defined in its guidance as those who might receive pre-employment transition services. In addition, some agreements limited the eligible students to be served to those who had an assessment for determining eligibility for VR services and who were found eligible. Furthermore, services outlined under the scope of work for some of these agreements included such services as job development, placement, and follow-up, which are not pre-employment transition services or VR services that can be paid for with the funds reserved under Section 110(d) of the Rehabilitation Act although they were charged to the reserve. Please see the notice of interpretation on the flexibility in the use of Federal VR funds for pre-employment transition services published in the [Federal Register](#) on February 27, 2020. Some of these agreements also paid the salaries of staff such as project coordinators or others who were not involved in direct service provision.

Finally, at the time of the review, OVR was not providing and/or tracking authorized services. Some of the activities outlined in the innovation and expansion contracts the review team examined may be more appropriately defined as pre-employment transition authorized activities that can be funded out of the reserve.

C. Findings and Corrective Actions

RSA's review of OVR's performance in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

3.1 Transition Policies Related to Pre-Employment Transition Services Not Current to Align with Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a)

Issue: Are OVR policies and/or guidance related to the provision of pre-employment transition services updated to align with the requirements in Section 113 of the Rehabilitation Act and its implementing regulations at 34 C.F.R. § 361.48(a), as required by Section 101(a)(6) of the Act and 34 C.F.R. § 361.50(a).

Requirement: Section 101(a)(6) of the Rehabilitation Act and the implementing requirements in 34 C.F.R. § 361.50(a) require the State VR agency to develop and maintain written policies covering the nature and scope of each of the VR services specified in 34 C.F.R. § 361.48 and the criteria under which each service is provided. In addition, Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a) require that each State must ensure that the State VR agency, in collaboration with the LEAs involved, provide or arrange for the provision of pre-employment transition services for all students with disabilities as defined in 34 C.F.R. § 361.5(c)(51), in need of such services without regard to the type of disability.

Analysis: During the period of review, OVR did not have policies in place that reflected the requirements for the provision of pre-employment transition services to students with disabilities as described in Section 113 of the Rehabilitation Act and 34 C.F.R. § 361.48(a).

Prior to on-site activities related to the monitoring review, OVR provided RSA with its most recent Program Policies and Guidelines, titled "School to Work Transition," dated December 12, 2013. This document did not include language that referenced changes made to the Rehabilitation Act, as amended by WIOA, nor did it reference activities related to services available to students with disabilities, including pre-employment transition services as described in the Rehabilitation Act, as amended by WIOA. This document made no reference to other manual guidance available to VR agency staff as a resource for outlining the provision or criteria for providing pre-employment transition services.

OVR provided RSA a copy of its Pre-employment Transition Services Manual, dated July 2, 2018. During the pre-onsite calls, OVR indicated that this manual was in the process of being updated. In this document, appropriate references were made to current regulatory citations around pre-employment transition services and the provision of such services. OVR confirmed that this manual was the only formal guidance available for staff, used in conjunction with a provider's manual used by CRPs. While this staff manual and provider manual contained comprehensive and appropriate information, it also included some information that was not consistent with the requirements for appropriate services outlined under the required or authorized pre-employment transition service activities defined in 34 C.F.R. § 361.48. For instance, OVR gave examples of services for which staff could reimburse CRP providers through payment from pre-employment transition service funds, such as payment for OJT arrangements, using a 100 percent reimbursement rate. An OJT is not a work-based learning experience, one of

the five required pre-employment transition services; an OJT placement is considered an actual job placement with an agreement for OVR to cover a percentage of the training cost of the employer during the individuals initial hiring period. Please see the notice of interpretation on the flexibility in the use of Federal VR funds for pre-employment transition services published in the [Federal Register](#) on February 27, 2020. In addition, language in this manual suggested that work-based learning experiences under the provision of pre-employment transition services would not begin prior to the students with disabilities being in the 11th or 12th grade. Nothing in the regulations restricts the provision of any of the five required pre-employment transition service activities to a specific grade in a students' academic program.

While on site, OVR presented RSA with a draft version of its Program Guidelines, titled "School to Work Transition," which was anticipated to be approved following the State Board meeting sometime in January 2020. This draft document did include some of the regulatory language consistent with the Rehabilitation Act, as amended by WIOA, related to the definitions of a student with a disability and a youth with a disability, and how the agency will coordinate with the SEA for the provision of transition services. References to the criteria, policies, and procedures for the receipt of pre-employment transition services were outlined in an attached document, titled "OVR PETS Manual." This updated manual had not yet been provided to RSA at the time of the review. As noted above, the agency had been using the "Pre-Employment Transition Manual" for staff in conjunction with a Provider Transition Manual to outline agency procedures on authorizing services in place of policies or procedural guidelines. Ultimately, no policies were in place at the time of the review, and the latest draft policy for transition services, including pre-employment transition services, was provided to the team toward the end of the onsite review.

Conclusion: Pursuant to 34 C.F.R. § 361.50, the State VR agency must develop and maintain written policies covering the nature and scope of each of the VR services specified in 34 C.F.R. § 361.48 and the criteria under which each service is provided. In addition, 34 C.F.R. § 361.48(a)(1), requires that OVR ensure that pre-employment transition services are made available Statewide to all students with disabilities in need of such services who are eligible or potentially eligible for VR services. As a result of the analysis, RSA determined that OVR did not have adequate policies or procedures in place to ensure that the provision of services as specified in 34 C.F.R. § 361.48(a) were applied accurately.

Corrective Actions 3.1 RSA requires that OVR—

- 3.1.1 Finalize draft policies, and implement and provide instruction to staff on new policies to reflect the requirements that address the provision of transition services, including pre-employment transition services;
- 3.1.2 Maintain ongoing coordination and collaborative activities with LEAs and staff to ensure partners have a clear understanding of the purpose and provision of pre-employment transition services;
- 3.1.3 Provide a cycle of staff and stakeholder training opportunities to support these changes in policy and procedure so that staff and others understand the provision of pre-employment transition services; and

- 3.1.4 Submit the revised draft and final policy for transition services, including pre-employment transition services, for RSA’s review, as part of OVR’s corrective actions related to this review.

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan with a mutually agreeable timeline.

D. Technical Assistance

While conducting monitoring activities, RSA provided technical assistance to OVR as described below.

SEA Review Instrument

- The RSA review team provided technical assistance to OVR on the development of a SEA agreement in compliance with 34 C.F.R. § 361.22(b). The RSA review team reminded OVR staff of correspondence sent providing a “Review Instrument for SEA Agreements” emailed to States on July 15, 2019. At the request of the OVR Director, the email was resent to all individuals present for the discussion of this focus area. RSA staff reviewed the instrument with agency staff.

Tracking and Reporting of Pre-Employment Transition Services

- RSA discussed how it was not acceptable to use identifiers that would result in a duplicate count of students provided pre-employment transition services, as discussed in the performance section. RSA recommended the identification of potentially eligible and eligible individuals be differentiated by application start date.
- While the agency reported throughout the monitoring review that it was indeed serving potentially eligible students, the agency acknowledged it did not have a system in place to track instances when a potentially eligible student became an applicant of the VR program. Staff indicated they were working to allow individuals to be tracked with unique identifiers, maintaining more accurate data, and reducing the potential for duplication of reporting.

Technical Assistance Requested:

OVR requested additional technical assistance on the following topics:

- Guidance on the provision of pre-employment transition services provided in group settings that may include students without disabilities by ERCs as they enter integrated classrooms to provide presentations;
- Clarification regarding the provision and scope of pre-employment transition services provided by school staff through intergovernmental and interagency agreements. Please see the notice of interpretation on the flexibility in the use of Federal VR funds for pre-employment transition services published in the Federal Register *on February 27, 2020*;

- Clarification regarding the allowability of providing group transition services to youth with disabilities and students with disabilities who have not yet applied or been determined eligible for VR services;
- The agency's draft policies and procedures related to the provision of pre-employment transition services to students with disabilities;
- Guidance regarding methods to handle the requirement specific to a release of information for potentially eligible students in the schools as they participate in groups receiving pre-employment transition services; and
- Review of acceptable models describing how to provide authorized pre-employment transition services.

SECTION 4: FOCUS AREA – FINANCIAL MANAGEMENT OF THE STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS

A. Purpose

Through this focus area RSA assessed the financial management and fiscal accountability of the VR and Supported Employment programs to ensure that: funds were being used only for intended purposes; there were sound internal controls and reliable reporting systems; available resources were maximized for program needs; and funds supported the achievement of employment outcomes for individuals with disabilities, including those with the most significant disabilities, and the needs of students with disabilities for pre-employment transition services.

B. Scope of Financial Management Review

During the monitoring process, RSA reviewed the following areas related to financial management and accountability:

Period of Performance

Period of performance is the time during which the non-Federal entity (grantee) may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). In order to accurately account for Federal and non-Federal funds, the VR agency must ensure that allowable non-Federal and Federal obligations and expenditures are assigned to the correct FFY award. RSA uses the financial information reported by the grantee to determine each VR agency's compliance with fiscal requirements (e.g., reservation of funds, matching, maintenance of effort (MOE), etc.). The RSA review team assessed OVR's performance in meeting the period of performance requirements related to the proper assignment of obligations and expenditures to the correct grant award(s).

VR Program Match

VR program regulations require that the State must incur a portion of expenditures under the VR services portion of the Unified or Combined State Plan from non-Federal funds to meet its cost sharing requirements (34 C.F.R. § 361.60). The required Federal share for expenditures made by the State, including expenditures for the provision of VR services and the administration of the VR services portion of the Unified or Combined State Plan, is 78.7 percent. The State's share is 21.3 percent. The RSA review team assessed OVR's performance in meeting the matching requirements for the VR program, including whether the matching level was met, as well as whether the sources of match were consistent with Federal requirements and any applicable MOE issues.

The RSA review team addressed requirements pertaining to the following sources of non-Federal share used by the State as the match for the VR program:

- State appropriations and interagency transfers;
- Third-party cooperative arrangements (TPCAs);
- Establishment projects; and
- Randolph-Sheppard set-aside.

Supported Employment Program Match

Supported Employment program regulations require that the State expend 50 percent of its total Supported Employment program allotment for the provision of supported employment services, including extended services, to youth with the most significant disabilities. The Supported Employment program funds required to be reserved and expended for services to youth with the most significant disabilities are awarded through the SE-B grant award. The Federal share for expenditures from the State's SE-B grant award is 90 percent. The statutorily required 10 percent match requirement applies to the costs of carrying out the provision of supported employment services, including extended services, to youth with the most significant disabilities. This means that the 10 percent is applied to total expenditures, including both the Federal and non-Federal shares, incurred for this purpose, and that the non-Federal share must also be spent on the provision of supported employment services, including extended services, to youth with the most significant disabilities.

The RSA review team assessed the matching requirements for the Supported Employment program, including an assessment of whether the matching level was met, as well as whether the sources of the match were consistent with Federal requirements.

Prior Approval

The Uniform Guidance (2 C.F.R. § 200.407) requires prior written approval (prior approval) for various grant award activities and proposed obligations and expenditures. RSA reviews and approves prior approval requests on behalf of the Department of Education. The RSA review team examined OVR's internal controls to ensure that the VR agency is meeting the prior approval requirements.

Vendor Contracts

The RSA team reviewed three areas related to vendor contracts:

- Determining rates of payment;
- Supporting documentation for payments; and
- Contract monitoring.

This review area included contracts for the provision of pre-employment transition services.

RSA reviewed OVR's fiscal management of the VR and Supported Employment programs. During the on-site review, OVR staff described systems the agency used to authorize, account for, and issue payments for VR and Supported Employment services.

RSA reviewed OVR's fiscal performance data from FFYs 2016 through 2018 of the VR and Supported Employment programs as well as internal control policies and procedures for the allocation and expenditure of VR and Supported Employment program funds. During the on-site visit, OVR staff described systems the agency used to authorize, account for, and issue payment for VR and Supported Employment services.

The agency fully matched its VR grant awards in FFYs 2016 through 2018. In fact, in FFY 2018, the actual match provided by OVR exceeded the match required per net award amount by \$928,616.

In the last several years, the agency has increasingly relied on reallocation in order to continue ongoing operations through 10/01. Between FFYs 2010 and 2015, OVR requested no additional funds in reallocation. In fact, from FFYs 2011 through 2014, OVR relinquished funds ranging from \$3,201,505 to \$30,000,000. In FFYs 2010 and 2015, no funds were relinquished.

From FFYs 2016 through 2019, reallocation requests increased from \$18,900,000 to \$55,000,000. In 2016, OVR received 100 percent of the requested \$18,900,000. In FFY 2017, the agency received only \$6,505,821 of the requested \$32,025,385. In FFY 2018, the agency requested \$50,000,000 and received \$15,886,732. In FFY 2019, OVR requested \$55,000,000 and received \$27,261,779.

All VR funds were expended in full by the end of the period of performance for each award, and OVR did not deobligate any Federal funds during the years in review. In fact, the agency obligated almost all funds, including additional funds from reallocation, by the end of the FFY in which Federal funds were appropriated. In FFYs 2017 and 2018, the agency reported \$1 on its Federal Financial Report (SF-425), line 10h (Unobligated balance of Federal funds), in quarters 4 and 6 in order to qualify for the carryover year. By doing so, the agency continued to report substantial unliquidated obligations in quarters 4 and 6 since the unobligated balance (\$1) allowed the agency not to submit the final report in 90 days until the entire award was obligated, and the agency carried unliquidated obligations until the final report was submitted (90 days after the end of the period of performance).

OVR had experienced a high rate of turnover in the fiscal department in the 12 months preceding the monitoring review. According to the agency, this led, in part, to inaccurate, incomplete, and late reporting and a lack of understanding of Federal regulations governing VR formula grant awards.

C. Findings and Corrective Actions

RSA's review of OVR's performance in this focus area resulted in the identification of the following findings and the corresponding corrective actions to improve performance.

4.1 Incorrect Assignment of Obligations and Expenditures to the Federal Award

Issue: Does OVR assign obligations and expenditures to the correct Federal award in accordance with 34 C.F.R. § 361.12; 2 C.F.R. §§ 200.77, 200.302, 200.303(a), 200.309; and 34 C.F.R. § 76.702. This area of review is included on pages 32 and 33 of the MTAG.

Requirements: As a recipient of Federal VR and Supported Employment program funds, OVR must have procedures that ensure the proper and efficient administration of its VR and Supported Employment programs and that enable OVR to carry out all required functions, including financial reporting (34 C.F.R. § 361.12). In accordance with the Uniform Guidance in 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

The Uniform Guidance in 2 C.F.R. § 200.302(b) requires the financial management system of each non-Federal entity to provide for the identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, Federal funds.

Each grant award has a defined "period of performance," which is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award (2 C.F.R. § 200.77). A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (2 C.F.R. § 200.309, see also 34 C.F.R. §§ 76.703 and 76.709). Grantees must implement internal controls to ensure that obligations and expenditures for a Federal award are assigned, tracked, recorded, and reported within the applicable period of performance for that Federal award, thereby ensuring the grantees are managing the award in compliance with Federal requirements (2 C.F.R. § 200.303(a)). The proper assignment of Federal and non-Federal funds to the correct period of performance is necessary for OVR to correctly account for VR funds so RSA can be assured that the agency has satisfied requirements for, among other things, match (34 C.F.R. § 361.60), MOE (34 C.F.R. § 361.62), and the reservation and expenditure of VR funds for the provision of pre-employment transition services (34 C.F.R. § 361.65(a)(3)).

An obligation means "orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period" (2 C.F.R. § 200.71). For expenditures to be allowable under the Federal award, agencies must demonstrate that the obligation occurred within the period of performance of the Federal award. Regulations at 34 C.F.R. § 76.707 explain when a State incurs an obligation for various kinds of services and property. Therefore, in order to properly account for and liquidate expenditures, grantees must be able to assign an obligation to a Federal award based upon the date the obligation was made (34 C.F.R. §§ 76.703 and 76.709). Grantees must assign all Federal and non-Federal obligations and expenditures, on an FFY basis, to the correct Federal award in accordance with the period of performance.

Analysis: RSA reviewed the agency's policies and procedures regarding the assignment of Federal and non-Federal obligations and expenditures to the correct Federal award. RSA also reviewed supporting documentation of obligations and expenditures to ensure that OVR was correctly assigning and reporting obligations and expenditures to the proper period of performance in accordance with Federal requirements. Through the review of agency policies and discussions with agency staff, RSA found that, depending on the type of obligation or expenditure, OVR did not assign obligations to an FFY award based upon the date the counselor authorized the service or when the obligation of the expenditure occurred.

For contractual expenditures, OVR was not consistent in the dates used to assign obligations to the correct FFY award. OVR was not assigning obligations to the FFY award based upon the date the contract was signed, which is the date of the binding written commitment (34 C.F.R. § 76.707(d)), in order to ensure that the invoice was charged to the correct Federal award.

During the on-site review, OVR demonstrated that it had the ability to assign obligations to the correct FFY award based upon the type of obligation; however, the agency was not using the correct process. Consequently, OVR could not demonstrate that obligations and the liquidation of those obligations for property, services, and contracts were charged to the correct Federal award.

Federal Funds

RSA's review of the supporting documentation identified several instances in which the agency paid vendors from an incorrect VR award because the date of obligation was incorrectly assigned. In some instances, the invoices paid were for authorizations written (obligations made) prior to the start of the award from which the services were paid. Since OVR assigned expenditures based upon an incorrect obligation date, the agency did not obligate Federal funds to the correct Federal award.

The incorrect assignment of obligations to Federal awards was also identified in a Single State Audit finding, and OVR is currently working to complete corrective actions to mitigate the circumstance that led to the finding and journal incorrect obligations and expenditures to the correct period of performance (according to the agency some costs were incorrectly charged to FFY 2017 for services performed in prior years). The affected awards were H126A170056 and H126A180056.

Program income for \$1,969.69 was earned on 10/24/2016; however, it was incorrectly charged to FFY 2016 instead of FFY 2017. Program income received after the fourth quarter of an award must be assigned to the subsequent FFY. This is the case even if the award qualifies for carryover.

Non-Federal Funds

OVR accounted for and reported VR expenditures paid with non-Federal funds in a similar manner to the Federal funds process mentioned above. Specifically, the agency did not account for the accurate date the obligation occurred with non-Federal funds to ensure the liquidation of those expenditures from the correct Federal award. Additionally, a large portion of non-Federal

funds in the VR program were derived from staff fringe benefits and staff time paid with indirect expenditures. These non-Federal expenditures must be assigned to the correct period of performance based upon when the time is worked, not when the time is paid or when the State sets the non-Federal funds aside (34 C.F.R. § 76.707). Since the agency did not appropriately assign non-Federal obligations to the correct period of performance, the agency cannot ensure that the liquidation of those obligations is charged to the proper Federal award. If the non-Federal expenditures are charged to an incorrect Federal award, those expenditures may not be an allowable source of match for the Federal award funds drawn down by the agency. As a result, RSA was unable to determine whether the agency satisfied VR program requirements for match, MOE, and the reservation and expenditure of funds for the provision of pre-employment transition services.

Conclusion: Based upon the information above, RSA has determined that OVR is not in compliance with the Federal requirements (34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302) to accurately account for and report obligations and ensure expenditures are paid from the correct Federal award. As a result, RSA cannot determine whether the agency satisfied requirements related to match and the reservation of funds for the provision of preemployment transition services. As a recipient of Federal VR and Supported Employment funds, OVR must have procedures in place that ensure proper and efficient administration of its VR program and that enable OVR to carry out all required functions. The methods of administration must ensure accurate data collection and financial accountability (34 C.F.R. § 361.12 and 2 C.F.R. § 200.302).

Corrective Actions 4.1 RSA requires that OVR—

- 4.1.1 develop and implement written internal control processes, including a monitoring component, to accurately account for and report Federal and non-Federal obligations and expenditures to the correct period of performance; and
- 4.1.2 revise and resubmit the SF-425 reports for FFYs 2017 through the most current reports to accurately report Federal and non-Federal expenditures and obligations to the correct awards.

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan with a mutually agreeable timeline.

4.2: Internal Control Deficiencies

Issue: Does OVR maintain effective internal control over the Federal award to provide reasonable assurance that it is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. This area of review is included on pages 30 and 32 of the MTAG.

Requirement: A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. These methods of administration (i.e., the agency's

internal controls) must include procedures to ensure accurate data collection and financial accountability (34 C.F.R. § 361.12).

“Internal controls” means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of reporting for internal and external use; and
- Compliance with applicable laws and regulations (2 C.F.R. § 200.61).

Additionally, 2 C.F.R. § 200.303, among other things, requires a non-Federal entity to:

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- Evaluate and monitor the non-Federal entity’s compliance with statute, regulations and the terms and conditions of Federal awards; and
- Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

In accordance with the Uniform Guidance (2 C.F.R. § 200.302(a)), a State’s financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the award, must be sufficient to permit the:

- Preparation of reports required by general and program specific terms and conditions; and
- Tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

In its guidance “The Role of Internal Control, Documenting Internal Control, and Determining Allowability & Use of Funds,” the Department states that internal controls represent those processes by which an organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting.

Therefore, an internal control deficiency would exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or correct processes that might lead to non-compliance with Federal and State requirements.

A. Prior Approval Requirements Not Met

The Uniform Guidance at 2 C.F.R. § 200.407 includes a list of specific circumstances for which prior approval from the Federal awarding agency in advance of the occurrence is either required for allowability or recommended in order to avoid subsequent disallowance or dispute based on the unreasonableness or non-allocability. For example, 2 C.F.R. § 200.439(b)(1) states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding or pass through entity. The Uniform Guidance at 2 C.F.R. § 200.62(a)(3) also requires the agency have internal control over compliance requirements for Federal awards to demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

On November 2, 2015, the Department of Education adopted the final regulations found in 2 C.F.R. part 200 (Federal Register notice 80 FR 67261). The Department issued notifications to grantees regarding the new requirements and made training and technical assistance documents available to grantees to assist in implementation of the new requirements. To ensure that RSA grantees were aware of the applicability of the prior approval requirements, RSA included a special clause on the FFY 2016 Grant Award Notifications that stated, in pertinent part:

- the prior approval requirements listed in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) (2 C.F.R. part 200) are applicable to this award... Grantees are responsible for ensuring that prior approval, when required, is obtained prior to incurring the expenditure. Grantees should pay particular attention to the prior approval requirements listed in the Cost Principles (2 C.F.R. part 200 subpart E).

In addition, information regarding the requirements in 2 C.F.R. part 200 was communicated to grantees via RSA's listserv on September 23, 2015.

The RSA Financial Management Specialist requested the agency's written processes that ensured the agency was meeting the prior approval requirements.

The agency was not seeking prior approval for all expenditures in which prior approval was required (2 C.F.R. § 200.407). For example, in one instance the agency paid \$49,641.54 (of the total cost of \$99,283.08) before obtaining prior approval. An initial prior approval request regarding the matter was submitted to RSA on 11/08/2018. While RSA had not yet granted prior approval, an e-mail message was sent to the Erie District office on 11/26/2018 from OVR staff, indicating, in the subject line, that prior approval had been granted by RSA. The agency recognized the error and took steps to avoid reoccurrence of such instances.

RSA determined that the agency was not in compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407).

B. Inaccurate and Untimely Financial Reporting

In accordance with the Uniform Guidance at 2 C.F.R. § 200.302(a), a State's financial management systems, including records documenting compliance with Federal statutes,

regulations, and the terms and conditions of the award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. In addition, 34 C.F.R. § 76.702 requires States to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for Federal funds (see also 34 C.F.R. § 361.12).

OVR had insufficient processes to ensure accurate and timely submission of reports as demonstrated by the following:

a. Late reporting

- The agency lacks sufficient processes to ensure reports are submitted timely. For example, the FFY 2018 (quarter 4) SF-425 report was submitted late (12/13/2018).
- Supported Employment: the SF-425 reports for 84.187-A and 84.187-B for FFY 2018 (quarter 4) were submitted on 05/02/2019 (resubmitted 05/03/2019) – 6 months late.

b. Incomplete reporting

- Supported Employment: in FFY 2017 (187-A; quarter 8; final report), youth expenditures were not reported in the final report; however, these costs were reported in quarter 4 (the issue was corrected by OVR during the on-site visit on 08/13/2019).

c. Inaccurate reporting of indirect costs

- The RSA-2 report for FFY 2018 significantly differs from indirect costs reported in its respective SF-425 after accounting for the carryover year (FFY 2017); the agency could not explain variances in reporting.
- The agency has been inconsistent when reporting indirect costs (e.g., in its FFY 2017 SF-425 for quarter 4, the agency reported \$676,542; however, in the subsequent report for quarter 6 the agency reported only \$616,481, which is \$60,061 less than in the previous report). This discrepancy is particularly notable given that the SF-425 reports are cumulative.
- Indirect costs are largely reported on estimates because, according to the agency, it did not know when its approved rate would be final. However, once the final rate was approved, the agency did not correct reports to reflect the actual indirect costs.

d. Inconsistent reporting of match

- VR: in FFY 2017 (quarter 6), recipient share of expenditures was reported in the amount of \$35,696,711; this represents a decrease from quarter 4 (\$43,295,986).
- VR: in FFY 2018, OVR reported \$42,372,299 as its match (quarter 2). Then, in quarter 4, the agency revised its match twice and submitted the SF-425 report with

\$39,579,146 in line 10j (Recipient share of expenditures); however, in quarter 6, the agency revised its match, again, up to \$41,693,561.

- Supported Employment: the match for FFY 2016 was incorrect in its quarter 4 report (due to an inadvertent error); the issue was later corrected in the final report. However, the quarter 4 report has not yet been corrected. The agency must ensure that it has internal controls to accurately track and report all match in the year of appropriation.

e. Inaccurate reporting of pre-employment transition service expenditures

- In FFY 2018, the amount reported for the 15 percent pre-employment transition services reserve did not include one check (due to an oversight); as a result, the SF-425 report inaccurately reflected the total reserve.

f. Inaccurate reporting of program income

- In FFY 2016 (quarter 4), total Federal program income earned was \$5,704,088; however, in quarter 6, it was revised to \$5,677,091, representing a \$26,997 decrease.
- In FFY 2016 (quarter 4), line 12f of the SF-425 report shows transfer to the Older Individuals Who Are Blind (OIB) in the amount of \$3,328,229. However, quarter 8 (final) report shows \$5,569,694, and the final report for OIB shows the same amount. Program income received after the fourth quarter of an award must be assigned to the subsequent FFY. This is the case even if the award qualifies for carryover. Therefore, the amount of program income reported must not change after the fourth quarter. Additionally, if the agency had unspent program income in quarters 6 and 8, it should not have drawn additional funds from G5.
- SF-425 for FFY 2017 (quarter 4) shows in line in 12f a transfer to OIB (H177B170038) in the amount of \$1,090,141 and line 10l shows \$1,090,141; however, quarter 6 in VR shows \$1,231,626 and the same amount reported in the final (quarter 8) in OIB. This represented an increase in program income earned in OIB after quarter 4.
- SF-425 for FFY 2017 (quarter 6) for VR: Total Federal program income earned was \$1,252,168 versus \$1,225,841, as was previously reported in quarter 4.
- In FFY 2018, the agency transferred program income to OIB; line 12f of the fourth quarter SF-425 report for H126A180056 showed the total transfer in the amount of \$2,564,327. SF-425 line 10l of the H177B180038 award for quarter 4 in OIB showed that the VR transfer was for \$2,564,327. However, on line 12b, Remarks, of the OIB report it stated Federal Program Income received via transfer from State Vocational Rehabilitation Services Social Security reimbursements: \$3,518,352 (a difference of \$954,025). The agency needs to ensure consistency in its reporting.

OVR did not satisfy the requirements in 34 C.F.R. § 361.12, 34 C.F.R. § 76.702, and 2 C.F.R. § 200.302 to accurately account for and report the financial results of all Federally-assisted activities. Additionally, the agency did not have sufficient internal controls to ensure the accurate submission of the required financial reports.

C. Insufficient Protection of Personally Identifiable Information

In accordance with 2 C.F.R. § 200.303(e), OVR’s internal controls must “take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State and local laws regarding privacy and obligations of confidentiality.” RSA encountered instances, both prior to and during the onsite visit where OVR staff were not protecting personally identifiable information in written communications.

Conclusion: OVR did not maintain effective internal controls over the Federal award that provided reasonable assurances that the non-Federal entity was managing its award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. RSA is concerned about OVR’s lack of sufficient procedures and processes to manage the administrative requirements of RSA grant awards (2 C.F.R. §§ 200.302, 303 and 403-405). According to agency staff, there has been high staff turnover in recent months, and this lack of continuity and written process has significantly affected the agency.

Specific internal control areas of deficiency include documentation of control activities to ensure that prior approval is obtained, when required, that accurate financial reports are submitted, and that the allowability and allocability of costs are determined consistent with the Uniform Guidance requirements.

Corrective Actions 4.2 RSA requires that OVR—

- 4.2.1 Within 90 days after the issuance of the final monitoring report, develop and submit prior approval internal control processes consistent with the Uniform Guidance and the Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants, issued by the Office of Special Education and Rehabilitative Services on October 29, 2019 (subsequent to the on-site review) to RSA for review. Within 30 days after RSA concludes its review of the prior approval internal controls, implement internal control processes, and demonstrate compliance; and
- 4.2.2 Within 90 days after the issuance of the final monitoring report, develop and submit to RSA for review internal controls to ensure that financial reports are accurate, complete, and timely; program income requirements are met; and personally identifiable information protected. Within 30 days after RSA concludes its review of the internal controls, OVR must implement the internal controls. Additionally, OVR must, in cooperation with the RSA financial management specialist, accurately and timely identify all Federal financial reports that require revision. The financial management specialist will work with OVR to develop a timeline for submission of corrected reports.

Agency Response:

PA OVR acknowledges this monitoring finding and will work with RSA to develop and implement a corrective action plan and mutually agreeable timeline.

Point of Clarification

OVR is aware of the indirect cost rate in advance of the time period the rate is to be applied. However, OVR is not aware of the actual charges until the period the rate is to be applied occurs since the indirect costs rate is applied to actual expenses.

D. Technical Assistance

In the course of the monitoring activities, RSA provided technical assistance to OVR as described below.

Prior Approval

- The Uniform Guidance requirements for prior approval, including the use of the streamlined approach described in the October 2019 Frequently Asked Questions (FAQs) Prior Approval – OSEP and RSA Formula Grants; and
- The development and implementation of written policies and procedures.

Match/MOE and Program Income

- Tracking and disbursement of program income;
- Tracking and reporting of the match in the year of appropriation; and
- MOE requirements.

Internal Controls and Contract Monitoring

- Implementation of internal controls to ensure preparation and submission of accurate, complete, and timely SF-425 financial reports;
- Requirements for the Randolph-Sheppard set-aside; and
- The development and implementation of written policies and procedures regarding contract monitoring.

Additionally, RSA provided technical assistance on contract provisions for non-Federal entity contracts under Federal awards. The Uniform Guidance at 2 C.F.R. Appendix II to § 200 includes a list of provisions that all contracts made by the non-Federal entity under the Federal award must contain, as applicable. RSA reviewed OVR's contracts for FFYs 2016 through 2018, and they did not contain all applicable provisions per 2 C.F.R. Appendix II to § 200 and 2 C.F.R. § 200.326. All contracts made by the VR agency, as a grantee receiving Federal funds, must contain the applicable provisions in Appendix II. RSA discussed the provisions with the VR agency and suggested that OVR review the requirements with State procurement and legal staff who are responsible for the contracting process.

RSA also discussed concerns regarding whether the HIRAM Andrews Center should have a standalone indirect cost rate because the Center is under the authority of OVR and OVR staff are responsible for oversight and monitoring of the Center. It is unclear how the independent OVR and Center indirect cost rates ensure that there is no duplication of costs charged to the VR

program. Additionally, RSA encouraged OVR to conduct a review of the reasonableness of the Center operational costs in relation to the number of outcomes achieved. In accordance with the Uniform Guidance, all costs charged to a Federal award must be both reasonable and necessary.

SECTION 5: FOCUS AREA – JOINT WORKFORCE INNOVATION AND OPPORTUNITY ACT FINAL RULE IMPLEMENTATION

A. Purpose

The Departments of Education and Labor issued the Workforce Innovation and Opportunity Act (WIOA) Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) to implement Title I of WIOA. These joint regulations apply to all core programs of the workforce development system established by Title I of WIOA and the joint regulations are incorporated into the VR program regulations through subparts D, E, and F of 34 C.F.R. part 361.

WIOA strengthens the alignment of the public workforce development system's six core programs by compelling unified strategic planning requirements, common performance accountability measures, and requirements governing the one-stop delivery system. In so doing, WIOA places heightened emphasis on coordination and collaboration at the Federal, State, local, and tribal levels to ensure a streamlined and coordinated service delivery system for job seekers, including those with disabilities, and employers.

In FFY 2018, the Employment and Training Administration in the U.S. Department of Labor; the Office of Career, Technical, and Adult Education; and RSA developed the "WIOA Shared Monitoring Guide," which is incorporated in this focus area. RSA assessed the VR agency's progress and compliance in the implementation of the Joint WIOA Final Rule through this focus area.

B. Implementation of WIOA Joint Final Rule

The RSA team reviewed the following topical areas: WIOA Partnership; Governance; One-Stop Operations; and Performance Accountability. To gather information pertinent to these topics, RSA staff reviewed a variety of documents, including the PY 2016 Combined State Plan and PY 2018 modifications; Memoranda of Understanding (MOUs), including the One-Stop Center Operating Budget and Infrastructure Funding Agreement (IFA) related to the one-stop service delivery system; and other supporting documentation related to the four topical areas.

WIOA Partnership

WIOA requires States and local areas to enhance coordination and partnerships with local entities and supportive service agencies for strengthened service delivery, including through Unified/Combined State Plans. Beyond the partnerships reflected in the Governance and One-Stop Operations sections of this focus area, Federal partners thought it was important for Federal agencies to inquire about the broader partnership activities occurring to implement many of the approaches called for within WIOA, such as career pathways and sector strategies. These require robust relationships across programs and with businesses, economic development, education, and training institutions, including community colleges and career and technical education local entities and supportive service agencies. The RSA review team explored how these activities are led and sustained to help assess how these initiatives are progressing within the State.

At the time of this review, the Pennsylvania workforce development system operated 60 America's job Centers (AJCs), 10 workforce development regions, 23 local workforce areas, and 23 Local Workforce Development Boards (LWDBs). OVR reported that staff were co-located at each of the 60 AJCs, and district administrators were members of all 23 LWDBs. OVR reported a strong tradition of collaboration with business partners who also serve on the LWDBs, and it routinely collaborated with workforce and economic development partners to meet business needs statewide. OVR stated it was highly involved in regional and local planning processes that led to strong MOUs for business and consumer services. As a result, OVR reported that this collaboration led to enhanced services in the areas of business development, youth career development, customized employment, sector strategies, TANF work, and pre-employment transition services.

OVR business service representatives were co-located at AJCs statewide and worked closely with other LWDB partners to engage local employer involvement. Business services staff collaborated on job fairs with employer partners and community rehabilitation agencies across all regions of Pennsylvania. Business services teams routinely communicated on providing VR and other services to job-seekers, requests for ADA compliance or accessibility consultation, and disability etiquette training.

Governance

State Workforce Development Boards (SWDBs) and LWDBs, which should include representation from all six core programs, including the VR program, set strategy and policies for an aligned workforce development system that partners with the education continuum, economic development, human services, and businesses. The VR representative on the SWDB must be an individual who has optimum policy-making authority for the VR program, and each LWDB is required to have at least one representative from programs carried out under Title I of the Rehabilitation Act (other than Section 112 or part C of that Title).

OVR, which administers the VR program – one of the core partner workforce development programs – that is authorized under the Rehabilitation Act, as amended by Title IV of WIOA, is housed in the Pennsylvania Department of Labor and Industry. The Pennsylvania Department of Labor and Industry is overseen by a Secretary who is appointed by the Governor. During RSA's on-site monitoring of the VR program, RSA learned that OVR was represented on the SWDB by the Secretary of the Department of Labor and Industry, who also represents other workforce partner programs administering core services, namely the Departments of Administration, Unemployment Compensation, Compensation and Insurance, Workforce Development, Safety and Labor Relations, and the VR program. RSA provided technical assistance to OVR, the Pennsylvania Department of Labor and Industry, and the State Board regarding the regulatory requirements for State Board membership. Following the on-site review, RSA learned that the Secretary of the Department of Labor and Industry and the State Board nominated the Executive Director of OVR to the Governor's office for appointment to the SWDB.

OVR reported that district administrators were active and contributing members of all 22 LWDBs. Local and regional workforce development plans were completed with full collaboration with OVR representatives. Plans were reviewed at regular intervals by the LWDB at meetings where OVR was able to partner to collaborate on youth career development,

customized employment, sector strategies, TANF work, and pre-employment transition services. Local plans were aligned with regional and State plans based on technical assistance developed by the Governor's office that aligned with the State's goals and priorities.

One-Stop Operations

The one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

During this review, OVR reported it had 81 FTEs assigned to work at the State's 60 AJCs. In rural satellite centers where OVR was not present, OVR provided access to the VR program via information and referral from partnering core agencies and access to OVR's application on the Internet.

RSA reviewed all of the LWDBs' fully executed MOUs with up to date IFAs. These were fully executed with collaborative involvement of OVR and were based on the allocation of FTEs at each AJC. The allocation of FTEs was based on the operating cost at each AJC and was open for periodic reconciliation as needed but not less than twice per year.

OVR reported the Pennsylvania Department of Labor & Industry Office of Equal Opportunity evaluated each AJC once at least every three years to ensure compliance with ADA standards and completed this evaluation as part of the annual AJC certification process. AJC staff members received refresher training on disability awareness, sensitivity and etiquette, outreach for employers, and guidance concerning Social Security and related topics. The Office of Equal Opportunity required each AJC to develop an Enhancement Plan for providing services to persons with disabilities. OVR was engaged and consulted on these training and planning activities.

RSA learned that Pennsylvania had branded its AJCs as CareerLinks statewide. This branding was fully recognized and accepted by OVR, the WIOA core partners, and the general public as the State's one-stop system via signs, brochures, and a strong website presence.

Performance Accountability

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States and local areas in achieving positive outcomes for individuals served in the workforce development system. WIOA requires that these requirements apply across all six core programs, with a few exceptions. RSA reviewed the VR agency's progress and implementation of performance accountability measures and data sharing and matching requirements.

RSA learned that the Pennsylvania Commonwealth Workforce Development System (CWDS) serves as the primary database and system of record for numerous workforce development programs tracking and recording services, activities, and outcomes, including those for OVR. Workforce partners' service activities were recorded by funding stream, enabling the system to

identify the resultant outcomes for each investment made. OVR used the CWDS to submit the Statewide and Local Performance reports annually with WIOA core partners. The Pennsylvania Center for Workforce Information & Analysis (CWIA) used data collected through CWDS to generate performance reports for the WIOA core programs. OVR reported that this data system was still under development at the time of this review, and much work remained to be completed statewide to ensure all core programs' data were reported accurately.

OVR did not have a fully executed data sharing agreement with the Pennsylvania Department of Labor and Industry to obtain unemployment insurance wage data. However, OVR reported that a working draft agreement was in place that allowed for the collection of performance reporting data through the CWDS. This allowed for the collection and reporting of the effectiveness in serving employers performance measurement, the employer/business engagement rate, and the repeat employer/business customer rate. The Department of Labor and Industry's CWIA collected and reported these data for the State.

C. Findings and Corrective Actions

RSA's review of OVR's performance in this focus area did not result in the identification of findings or corrective actions to improve performance.

D. Technical Assistance

In the course of conducting monitoring activities, RSA provided technical assistance to OVR as described below.

Local One-Stop Accessibility

OVR's stakeholders informed RSA that, in the northwestern portion of Pennsylvania, the local area one-stop had closed and was experimenting with using community locations such as libraries and community centers for working with consumers. OVR's stakeholders stated some of these facilities do not meet accessibility standards as outlined in the ADA. RSA provided technical assistance to OVR that included reviewing the pertinent regulations surrounding accessibility at one-stop centers. OVR stated it was continuing to work with the local one-stop operators to select remote locations that were accessible to all individuals under 34 C.F.R. § 361.800.

Performance Accountability and Data Reporting

OVR described a system of data collection on the common performance measures reported through the State's CWDS. OVR reported that the CWDS facilitated dual and multi-program enrollment and service strategies, as customers provided intake information once to register for workforce services. While CWDS was the case management system for the Pennsylvania core workforce development programs, there are other workforce and education programs that use different systems to record data. OVR reported this multiple data collection process was not fully coordinated at the time of the review, and thus core staff collaborated to match the individual to the program(s) and funding stream(s) most applicable to the individuals' needs. As a result, OVR reported that data collection and reporting had been challenging, and OVR requested technical

assistance in the refinement of data collection and reporting on the key WIOA performance measures required under 34 C.F.R. § 361.160. RSA provided technical assistance that included recommending that the agency coordinate with the Workforce Innovation Technical Assistance Center to meet this intensive technical assistance need.

APPENDIX A: STATE VOCATIONAL REHABILITATION SERVICES AND STATE SUPPORTED EMPLOYMENT SERVICES PROGRAMS PERFORMANCE TABLES

Note: Calculations for these tables can be found in Appendix C of the MTAG.

Table 1— Pennsylvania-Combined VR Agency Profile (PY 2017)

Table 2— Pennsylvania-Combined Summary Statistics from RSA-113 (FFYs 2016-2018)

Table 3— Pennsylvania-Combined Number and Percentage of Participants Served by Primary Disability Type (PY 2017)

Table 4— Pennsylvania-Combined Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PY 2017)

Table 5— Pennsylvania-Combined Number and Percentage of Individuals Exiting by Reason during the VR Process (PY 2017)

Table 6— Pennsylvania-Combined VR Services Provided to Participants (PY 2017)

Table 7— Pennsylvania-Combined Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gain (PY 2017)

Table 8— Pennsylvania-Combined Median Hourly Earnings, Median Hours Worked per Week, Sources of Support, and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PY 2017)

Table 9— Pennsylvania-Combined Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive Employment or Supported Employment (PY 2017)

Table 10— Pennsylvania-Combined Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PY 2017)

Table 11— Pennsylvania-Combined Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PY 2017)

Table 12— Pennsylvania-Combined Number and Percentage of Required Pre-Employment Transition Services Provided (PY 2017)

Table 1— Pennsylvania-Combined VR Agency Profile (PY 2017)

VR Agency Profile Data	Number/Percentage
Employment Rate	52.3%
Number of Participants Exiting in Competitive Integrated Employment or Supported Employment	7,885
Measurable Skill Gains Performance Indicator	16.0%
Percentage of Participants Eligible for Measurable Skill Gains	26.0%
Percentage of Timely Eligibility Determinations	65.8%
Percentage of Eligibility Determination Extensions	27.9%
Percentage of Timely IPE Development	86.8%
Number of Applicants	21,126
Number of Individuals Determined Eligible	17,082
Number of Individuals with an IPE and No VR Services Provided	3,882
Number of Participants (with an IPE and VR Services Provided)	11,840

Table 2— Pennsylvania-Combined Summary Statistics from RSA-113 (FFYs 2016-2018)

Performance Category	FFY 16	FFY 17	FFY 18
Total Applicants	27,423	28,432	26,552
Total Eligible Individuals (Before IPE)	19,781	21,359	20,769
Agency Implementing Order of Selection	Yes	Yes	Yes
Individuals on Order of Selection Waiting List at Year-End	539	110	69
Percentage of Eligible Individuals with IPE Who Received No Services	11.4%	12.4%	13.4%
Individuals with IPE Receiving Services	52,569	52,512	49,716

Table 3— Pennsylvania-Combined Number and Percentage of Participants Served by Primary Disability Type (PY 2017)

Primary Disability Type by Group	Number of Participants	Percent
Visual	1,815	3.9%
Auditory or Communicative	3,194	6.9%
Physical	6,937	15.1%
Cognitive	13,795	30.0%
Psychological or Psychosocial	11,465	24.9%

Detailed Primary Disability Type	Number of Participants	Percent
Blindness	686	1.5%
Other Visual Impairments	1,129	2.5%
Deafness, Primary Communication Visual	460	1.0%
Deafness, Primary Communication Auditory	227	0.5%
Hearing Loss, Primary Communication Visual	165	0.4%

Detailed Primary Disability Type	Number of Participants	Percent
Hearing Loss, Primary Communication Auditory	2,036	4.4%
Other Hearing Impairments (Tinnitus, Meniere's Disease, hyperacusis, etc.)	152	0.3%
Deaf-Blindness	22	0.0%
Communicative Impairments (expressive/receptive)	132	0.3%
Mobility Orthopedic/Neurological Impairments	1,435	3.1%
Manipulation/Dexterity Orthopedic/Neurological Impairments	454	1.0%
Both Mobility and Manipulation/Dexterity Orthopedic/Neurological Impairments	1,235	2.7%
Other Orthopedic Impairments (e.g., limited range of motion)	419	0.9%
Respiratory Impairments	177	0.4%
General Physical Debilitation (e.g., fatigue, weakness, pain, etc.)	1,246	2.7%
Other Physical Impairments (not listed above)	1,971	4.3%
Cognitive Impairments (e.g., impairments involving learning, thinking, processing information and concentration)	13,795	30.0%
Psychosocial Impairments (e.g., interpersonal and behavioral impairments, difficulty coping)	9,848	21.4%
Other Mental Impairments	1,617	3.5%

Table 4— Pennsylvania-Combined Number and Percentage of Individuals Exiting at Various Stages of the VR Process (PY 2017)

Number of Individuals Who Exited the VR Program		21,941
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Exit Type	Number of Individuals	Percent
Individual exited as an applicant, prior to eligibility determination or trial work experience	3,483	15.9%
Individual exited during or after a trial work experience	738	3.4%
Individual exited after eligibility, but from an order of selection waiting list	62	0.3%
Individual exited after eligibility, but prior to a signed IPE	2,592	11.8%
Individual exited after an IPE without an employment outcome	7,181	32.7%
Individual exited after an IPE in noncompetitive and/or nonintegrated employment	-	0.0%
Individual exited after an IPE in competitive and integrated employment or supported employment	7,885	35.9%
Individual exited as an applicant after being determined ineligible for VR services	-	0.0%
Potentially eligible individual exited after receiving pre-employment transition services and has not applied for VR services	-	0.0%

Supported Employment	Number of Participants
Number of Participants Who Exited with a Supported Employment Outcome in Competitive Integrated Employment	1,073
Number of Participants Who Exited with a Supported Employment Outcome in Noncompetitive and/or Nonintegrated Employment	-

Table 5— Pennsylvania-Combined Number and Percentage of Individuals Exiting by Reason during the VR Process (PY 2017)

Reason for Exit	Number of Individuals	Percent
Individual is No Longer Available for Services Due to Residence in an Institutional Setting Other Than a Prison or Jail	27	0.1%
Health/Medical	131	0.6%
Death of Individual	113	0.5%
Reserve Forces Called to Active Duty	1	0.0%
Foster Care	1	0.0%
Ineligible after determining eligible	14	0.1%
Criminal Offender	111	0.5%
No Disabling Condition	95	0.4%
No Impediment to Employment	39	0.2%
Does Not Require VR Service	28	0.1%
Disability Too Significant to Benefit from Service	285	1.3%
No Long Term Source of Extended Services Available	3	0.0%
Transferred to Another Agency	231	1.1%
Achieved Competitive Integrated Employment Outcome	7,885	35.9%
Extended Employment	8	0.0%
Extended Services Not Available	2	0.0%
Unable to Locate or Contact	5,595	25.5%
No Longer Interested in Receiving Services or Further Services	6,024	27.5%
All Other Reasons	1,348	6.1%
Number of Individuals Who Exited the VR Program		21,941

Table 6— Pennsylvania-Combined VR Services Provided to Participants (PY 2017)

Total Number of Participants Who Received VR Services	46,040	
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Training Services Provided to Participants	Number of Participants	Percent
Graduate Degree Training	13	0.0%
Bachelor Degree Training	60	0.1%
Junior or Community College Training	56	0.1%
Occupational or Vocational Training	3,554	7.7%
On-the-Job Training	372	0.8%
Apprenticeship Training	-	0.0%
Basic Academic Remedial or Literacy Training	79	0.2%
Job Readiness Training	789	1.7%
Disability Related Skills Training	410	0.9%
Miscellaneous Training	548	1.2%
Randolph-Sheppard Entrepreneurial Training	-	0.0%
Customized Training	-	0.0%

Career Services Provided to Participants	Number of Participants	Percent
Assessment	7,798	16.9%
Diagnosis and Treatment of Impairment	9,198	20.0%
Vocational Rehabilitation Counseling and Guidance	13,113	28.5%
Job Search Assistance	4,391	9.5%
Job Placement Assistance	1,965	4.3%
Short-Term Job Supports	1,607	3.5%
Supported Employment Services	1,710	3.7%
Information and Referral Services	4,361	9.5%
Benefits Counseling	679	1.5%
Customized Employment Services	4	0.0%
Extended Services (for youth with the most significant disabilities)	-	0.0%

Other Services Provided to Participants	Number of Participants	Percent
Transportation	3,246	7.1%
Maintenance	176	0.4%
Rehabilitation Technology	3,627	7.9%
Personal Attendant Services	19	0.0%
Technical Assistance Services	194	0.4%
Reader Services	3	0.0%
Interpreter Services	282	0.6%
Other Services	3,462	7.5%

Table 7— Pennsylvania-Combined Number of Measurable Skill Gains Earned, Number of Participants Who Earned Measurable Skill Gains, and Types of Measurable Skill Gains (PY 2017)

Measurable Skill Gains Earned and Participants Earning Measurable Skill Gains	Number
Number of Measurable Skill Gains Earned	2,354
Number of Participants Who Earned a Measurable Skill Gains	1,914

Types of Measurable Skill Gains	Number
Educational Functioning Level	488
Secondary Diploma	347
Postsecondary Transcript/Report Card	1,410
Training Milestone	63
Skills Progression	46

Table 8— Pennsylvania-Combined Median Hourly Earnings, Median Hours Worked per Week, Sources of Support and Medical Insurance Coverage for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PY 2017)

Median Hourly Earnings and Hours Worked per Week at Exit

Number of Participants Who Exited in Competitive and Integrated Employment or Supported Employment	7,885
Median Hourly Earnings at Exit	\$11.00
Median Hours Worked per Week at Exit	35

Primary Source of Support at Exit	Number of Participants	Percent
Personal Income	6,013	82.8%
Family and Friends	197	2.7%
Public Support	1,042	14.4%
Other Sources	8	0.1%

Public Support at Exit	Number of Participants	Percent
Social Security Disability Insurance (SSDI) at Exit	1,631	22.5%
Supplemental Security Income (SSI) for the Aged, Blind, or Disabled at Exit	1,052	14.5%
Temporary Assistance for Needy Families (TANF) at Exit	5	0.1%
General Assistance (State or local government) at Exit	-	0.0%
Veterans' Disability Benefits at Exit	1	0.0%
Workers' Compensation at Exit	-	0.0%
Other Public Support at Exit	19	0.3%

Medical Insurance Coverage at Exit	Number of Participants	Percent
Medicaid at Exit	1,275	17.6%
Medicare at Exit	734	10.1%
State or Federal Affordable Care Act Exchange at Exit	50	0.7%
Public Insurance from Other Sources at Exit	36	0.5%
Private Insurance Through Employer at Exit	1,453	20.0%
Not Yet Eligible for Private Insurance Through Employer at Exit	-	0.0%
Private Insurance Through Other Means at Exit	83	1.1%

Table 9— Pennsylvania-Combined Standard Occupational Classification (SOC) Titles (Major Groups): Percentages of Employment Outcomes and Median Hourly Earnings for Participants Who Exited with Competitive Integrated Employment or Supported Employment (PY 2017)

SOC Title	Number of Participants	Median Hourly Earnings
Office and Administrative Support Occupations	1222	10.44
Food Preparation and Serving Related Occupations	856	9.00
Transportation and Material Moving Occupations	695	12.00
Sales and Related Occupations	537	9.44
Building and Grounds Cleaning and Maintenance Occupations	532	9.51
Production Occupations	430	11.75
Personal Care and Service Occupations	408	9.77
Community and Social Services Occupations	376	14.00
Healthcare Support Occupations	352	11.97
Healthcare Practitioners and Technical Occupations	326	20.00
Installation, Maintenance, and Repair Occupations	266	12.00
Management Occupations	243	15.68
Constructive and Extraction Occupations	216	15.00
Education, Training, and Library Occupations	206	12.50
Business and Financial Operations Occupations	116	15.98
Computer and Mathematical Occupations	105	18.54
Protective Service Occupations	102	11.17
Arts, Design, Entertainment, Sports, and Media Occupations	100	13.30
Architecture and Engineering Occupations	63	19.23
Life, Physical, and Social Science Occupations	37	15.38

Table 10— Pennsylvania-Combined Number of Participants Who Exited with Competitive Integrated Employment or Supported Employment by the Most Frequent SOC Title (PY 2017)

No.	SOC Title	Number of Participants	Median Hourly Earnings
1	Stock Clerks and Order Fillers	388	9.25
2	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	357	9.15
3	Customer Service Representatives	273	10.48
4	Laborers and Freight, Stock, and Material Movers, Hand	222	11.00
5	Retail Salespersons	210	9.28
6	Social and Human Service Assistants	185	12.88
7	Cashiers	182	9.00
8	Combined Food Preparation and Serving Workers, Including Fast Food	172	8.01
9	Food Preparation Workers	157	9.00
10	Dishwashers	151	8.50

Table 11— Pennsylvania-Combined Number of Students with Disabilities Reported, and the Number and Percentage of Students with Disabilities Who Received Pre-Employment Transition Services (PY 2017)

Students with Disabilities	Number/Percentage of Students
Total Students with Disabilities Reported	35,406
Students with Disabilities Reported with 504 Accommodation	960
Students with Disabilities Reported with IEP	32,338
Students with Disabilities Reported without 504 Accommodation or IEP	2,108
Total Students with Disabilities Who Received a Pre-Employment Transition Service	19,812
Potentially Eligible Students with Disabilities Who Received a Pre-Employment Transition Service	9,231
Students with Disabilities, Who Applied for VR Services, and Received a Pre-Employment Transition Service	10,581
Percentage of Students with Disabilities Reported Who Received a Pre-Employment Transition Service	56.0%

Table 12— Pennsylvania-Combined Number and Percentage of Required Pre-Employment Transition Services Provided (PY 2017)

Pre-Employment Transition Services	Number of Pre-Employment Transition Services Provided	Percent of Total Pre-Employment Transition Services Provided
Total Pre-Employment Transition Services Provided	51,621	
Job Exploration Counseling	11,725	22.7%
Work-Based Learning Experiences	8,799	17.0%
Counseling on Enrollment Opportunities	10,999	21.3%
Workplace Readiness Training	14,154	27.4%
Instruction in Self-Advocacy	5,944	11.5%

APPENDIX B: SERVICE RECORD REVIEW RESULTS

Participants who Exited with Competitive Integrated Employment or Supported Employment

Data Element	Number with required documentation	Percent (of 20) with required documentation	Number without required documentation	Percent (of 20) without required documentation
Date of Application	17	85%	3	15%
Date of Eligibility Determination	9	45%	11	55%
Date of IPE	15	75%	5	25%
Start Date of Employment in Primary Occupation at Exit or Closure	12	60%	8	40%
Hourly Wage at Exit or Closure	12	60%	8	40%
Employment Status at Exit or Closure	13	65%	7	35%
Type of Exit or Closure	16	80%	4	20%
Date of Exit or Closure	19	95%	1	5%

Summary of Service Record Review for Participants who Exited with Competitive Integrated Employment or Supported Employment

Summary	Number	Percent (of 20)
Service Records with all required documentation for Data Elements	113	71%
Service Records without all required documentation for Data Elements	47	29%

Reporting Considerations: Information in Supporting Documentation, Case Management System, and RSA-911

Data Element	Number (of 20) where All Information Matches	Percent (of 20) where All Information Matches	Number (of 20) where All Information Does Not Match	Percent (of 20) where All Information Does Not Match
Date of Application	17	85%	3	15%
Date of Eligibility Determination	9	45%	11	55%
Date of IPE	15	75%	5	25%

Data Element	Number (of 20) where All Information Matches	Percent (of 20) where All Information Matches	Number (of 20) where All Information Does Not Match	Percent (of 20) where All Information Does Not Match
Start Date of Employment in Primary Occupation at Exit or Closure	12	60%	8	40%
Hourly Wage at Exit or Closure	12	60%	8	40%
Date of Exit or Closure	19	95%	1	5%

Participants who Earned Measurable Skill Gains (MSG)

Data Element (MSG Types as applicable)	Number with required documentation	Percent (of 20) with required documentation	Number without required documentation	Percent (of 20) without required documentation
Start Date of Initial VR Service on or after IPE	20	100%	0	0%
Date Enrolled During Program Participation in an Education or Training Program Leading to a Recognized Postsecondary Credential or Employment	19	95%	1	5%
Date of Most Recent MSG: Educational Functioning Level	5		2	
Date of Most Recent MSG: Secondary Transcript Report Card	1		2	
Date of Most Recent MSG: Postsecondary Transcript/Report Card	13		2	
Date of Most Recent MSG: Training Milestone	0		0	
Date of Most Recent MSG: Skills Progression	0		0	

**Summary of Service Record Review of Participants who Earned
Measurable Skill Gains (MSG)**

Summary	Number	Percent (of 20)
Service Records with all required documentation for Data Elements (as applicable)	58	89%
Service Records without all required documentation for Data Elements (as applicable)	7	11%

**Reporting Considerations: Information in Supporting Documentation,
Case Management System, and RSA-911**

Data Element (MSG Types as applicable)	Number of Service Records where All Information Matches	Percent (of 20) where All Information Matches	Number of Service Records where All Information Does Not Match	Percent (of 20) where All Information Does Not Match
Start Date of Initial VR Service on or after IPE	20	100%	0	0%
Date Enrolled During Program Participation in an Education or Training Program Leading to a Recognized Postsecondary Credential or Employment	19	95%	1	5%
Date of Most Recent MSG: Educational Functioning Level	5		2	
Date of Most Recent MSG: Secondary Transcript Report Card	5		2	
Date of Most Recent MSG: Postsecondary Transcript/Report Card	1		2	
Date of Most Recent MSG: Training Milestone	0		0	
Date of Most Recent MSG: Skills Progression	0		0	

APPENDIX C: FISCAL DATA TABLES

Note: Calculations for these tables can be found in Appendix F of the MTAG.

Table V.1 Pennsylvania-Combined VR Resources and Expenditures—FFYs 2016–2018*

VR Resources and Expenditures	2016	2017	2018*
Total program expenditures	\$183,490,576	\$167,170,229	\$182,233,252
Federal expenditures	\$144,407,083	\$131,562,970	\$140,539,691
State agency expenditures (4 th quarter)	\$39,083,493	\$43,295,986	\$39,579,146
State agency expenditures (latest/final)	\$39,083,493	\$35,607,259	\$41,693,561
Federal formula award amount	\$125,507,083	\$125,057,149	\$126,920,624
Reserve amount required for pre-employment transition services (15 percent)	\$21,661,063	\$19,734,446	\$21,421,103
Amount expended on pre-employment transition services	\$21,661,062	\$19,592,771	\$21,307,809
Percentage expended on pre-employment transition services	15%	14.89%	14.92%
MOE penalty from prior year	\$0	\$0	\$0
Federal award amount relinquished during reallotment	\$0	\$0	\$0
Federal award amount received during reallotment	\$18,900,000	\$6,505,821	\$15,886,732
Federal funds transferred from State VR agency	\$0	\$0	\$0
Federal funds transferred to State VR agency	\$0	\$0	\$0
Federal award amount (net)	\$144,407,083	\$131,562,970	\$142,807,356
Federal award funds deobligated	\$0	\$0	\$0
Federal award funds used	\$144,407,083	\$131,562,970	\$142,807,356
Percent of formula award amount used	115.06%	105.20%	112.52%
Federal award funds matched but not used	\$0	\$0	\$0

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

**Table V.1 Pennsylvania-Combined
VR Resources and Expenditures—Descriptions, Sources and Formulas**

VR Resources and Expenditures	Source/Formula
Total program expenditures	The sum of the Federal and non-Federal expenditures. Source/Formula: Table V.1: Federal expenditures plus State expenditures (latest/final)
Federal expenditures	The cumulative amount of disbursements from Federal funds. Source/Formula: SF-425 line 10e from latest/final report
State expenditures (4 th quarter)	The cumulative amount of disbursements and unliquidated obligations from State funds through September 30 th of the award period. Source/Formula: SF-425 line 10j from 4 th quarter report
State expenditures (latest/final)	The cumulative amount of disbursements and unliquidated obligations from State funds as reported on the agency's latest or final SF-425 report. Final reports do not include unliquidated obligations. Source/Formula: SF-425 line 10j from latest/final report
Federal formula award amount	The amount of the Federal funds available to the agency based on the formula mandated in the Rehabilitation Act. Formula/Source: Federal formula award calculation
Reserve amount required for pre-employment transition services	The amount of Federal funds required to be reserved and expended (15 percent) for the provision of pre-employment transition services. Formula/Source: (((((SF-425 line 10j lesser of the 4th quarter or latest/final) divided by .213) multiplied by .787) multiplied by .15) or (4th quarter grant award amount multiplied by .15)) whichever is less
Amount expended on pre-employment transition services	The amount of Federal funds the agency spent on the provision of pre-employment transition services. Formula/Source: SF-425 line 12b from latest/final report
Percentage expended on pre-employment transition services	The percent of Federal funds the agency spent on the provision of pre-employment transition services. Formula/Source: Amount expended on pre-employment transition services divided by (((SF-425 line 10j lesser of the 4 th quarter or latest/final) divided by .213) multiplied by .787) or (4 th quarter grant award amount) whichever is less)
MOE penalty from prior year	The amount of the Maintenance of Effort (MOE) deficit from the previous FFY which resulted in a MOE penalty against the current FFY.

VR Resources and Expenditures	Source/Formula
	Source/Formula: Table V.2: MOE difference from prior year
Federal award amount relinquished during reallotment	Amount of Federal award voluntarily relinquished through the reallotment process. Formula/Source: RSA-692
Federal award received during reallotment	Amount of funds received through the reallotment process. Source/Formula: RSA-692
Federal funds transferred from State VR agency	Amount of award funds transferred from State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal funds transferred to State VR agency	Amount of award funds transferred to State VR agencies (Blind to General or General to Blind). Formula/Source: Agency transfer request documentation
Federal award amount (net)	Federal award amount available after accounting for adjustments to award (e.g., MOE penalties, relinquishment, reallotment and transfers). Formula/Source: Federal formula award calculation, RSA-692, agency documentation, SF-425 : Federal formula calculation minus MOE penalty minus funds relinquished in reallotment plus funds received in reallotment plus funds transferred from agency minus funds transferred to agency
Federal award funds deobligated	Federal award funds deobligated at the request of the agency or as part of the award closeout process. These funds may include matched or unmatched Federal funds. Source/Formula: Agency deobligation request documentation, G5 closeout reports
Federal award funds used	Amount of Federal award funds expended. Source/Formula: Federal formula calculation, RSA-692, agency documentation, SF-425 lesser of the 4 th quarter or latest/final: Federal award amount (net) (calculation above) minus Federal award funds deobligated
Percent Federal formula award used	Percent of Federal formula award funds used. Source/Formula: Federal award funds used (calculation above) divided by Federal formula award amount
Federal award funds matched but not used	This represents unused Federal award funds for which the agency provided match. Source/Formula: Table V.2 Federal award funds matched (actual) minus Table V.1 Federal award funds used

Table V.2 Pennsylvania-Combined Non-Federal Share and Maintenance of Effort—FFYs 2016–2018*

Non-Federal Share (Match) and Maintenance of Effort (MOE)	2016	2017	2018*
Match required per net award amount	\$39,083,493	\$35,607,259	\$38,650,530
Match provided (actual)	\$39,083,493	\$35,607,259	\$39,579,146
Match difference**	\$0	\$0	-\$928,616
Federal funds matched (actual)	\$144,407,083	\$131,562,970	\$142,807,356
Percent Federal funds matched	100.00%	100.00%	100.00%
MOE required	\$32,950,000	\$34,179,613	\$39,083,587
MOE: Establishment/construction expenditures	\$0	\$0	\$0
MOE actual	\$39,083,587	\$35,607,259	\$39,579,146
MOE difference**	- \$6,133,587	- \$1,427,646	- \$495,559

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table V.2 Pennsylvania-Combined - Non-Federal Share and Maintenance of Effort—Descriptions, Sources and Formulas

Non-Federal Share (Match) and Maintenance of Effort (MOE)	Source/Formula
Match required per net award amount	Non-Federal funds required based upon the net amount of the Federal award. Source/Formula: (Table V.1 Federal award amount net divided by 0.787) multiplied by 0.213
Match provided (actual)	Amount of match (non-Federal share) provided, by the agency. Source/Formula: SF-425 line 10j lesser of the 4 th quarter or latest/final
Match difference**	The difference between match required to access the net Federal award funds and the actual amount of match provided by agency. Source/Formula: SF-425 lesser of the 4 th quarter or latest/final: ((Federal formula award amount divided by 0.787) multiplied by 0.213) minus SF-425 line 10j
Federal funds matched (actual)	Total amount of Federal funds the agency was able to match based upon the non-Federal share reported. The maximum amount of Federal funds the agency can access is limited to the Federal grant award amount. Source/Formula: (Match provided actual divided by .213) multiplied by .787
Percent of Federal funds matched	Percent of Federal funds matched. Source/Formula: Federal funds matched divided by Federal award amount net
Maintenance of Effort (MOE) required	Maintenance of effort (MOE) is the level of non-Federal expenditures, minus establishment/construction expenditures for CRPs, established by the State's non-Federal expenditures two years prior, i.e. Recipient Share of Expenditures. Source/Formula: SF-425 4 th quarter or latest/final report: line 10j minus line 12a
MOE: Establishment / construction expenditures	Non-Federal share of expenditures for construction of facilities for community rehabilitation program (CRP) purposes and the establishment of facilities for community rehabilitation purposes. Source/Formula: SF-425 latest/final report: line 12a
MOE actual	Non-Federal share provided by agency minus establishment/construction expenditures for CRPs. Source/Formula: SF-425: Match provided actual minus establishment/construction expenditures.
MOE difference**	The difference between MOE required and the actual MOE provided. Source/Formula: MOE required minus MOE actual.

** A positive amount indicates a deficit. A negative amount indicates a surplus.

Table V.3 Pennsylvania-Combined Program Income and 4th Quarter Data—FFYs 2016–2018*

Program Income and Carryover	2016	2017	2018*
Program income received	\$5,683,181	\$1,252,168	\$8,852,577
Program income disbursed	\$5,683,181	\$1,252,168	\$8,852,577
Program income transferred	\$5,569,694	\$1,231,626	\$2,957,021
Program income used for VR program	\$113,487	\$20,542	\$5,895,556
Federal grant amount matched (4 th quarter)	\$144,407,083	\$131,562,970	\$142,807,356
Federal expenditures (4 th quarter)	\$116,576,123	\$121,188,736	\$127,706,068
Federal unliquidated obligations (4 th quarter)	\$22,916,705	\$10,374,233	\$15,101,287

* Indicates the award is currently in an open status. Therefore, data is either not currently available or not final.

Table V.3 Pennsylvania-Combined Program Income and 4th Quarter Data—Descriptions, Sources and Formulas

Program Income and Carryover	Source/Formula
Program income received	Total amount of Federal program income received by the grantee. Source/Formula: SF-425 latest/final line 10l
Program income disbursed	Amount of Federal program income disbursed, including transfers. Source/Formula: SF-425 latest/final: line 10m plus line 10n
Program income transferred	Amount of Federal program income transferred to other allowable programs. Source/Formula: SF-425 latest/final: line 12e plus line 12f plus line 12g plus line 12h
Program income used for VR program	Amount of Federal program income utilized for the VR program. Source/Formula: SF-425 latest/final: Program income expended minus program income transferred
Federal grant amount matched (4 th quarter)	Federal funds an agency is able to draw down based upon on reported non-Federal reported on the 4 th quarter SF-425 for the FFY of appropriation, not to exceed net award amount. Source/Formula: Table V.2 Federal funds matched actual
Federal expenditures (4 th quarter)	Federal funds expended as reported on the 4 th quarter SF-425 for the FFY of appropriation. This does not include unliquidated obligations. Source/Formula: SF-425 4 th quarter: line 10e
Federal unliquidated obligations (4 th quarter)	Federal funds obligated but not liquidated as reported on the 4 th quarter SF-425 for the FFY of appropriation. Source/Formula: SF-425 4 th quarter: line 10f